

**CHAPTER NO. 781****HOUSE BILL NO. 3033**

**By Representatives Pruitt, Briley, Langster, Sherry Jones, Moore, Mike Turner, Harwell, Sontany, Odom**

**Substituted for: Senate Bill No. 3035**

**By Senators Harper, Haynes, Henry, Bryson**

AN ACT to amend Tennessee Code Annotated, Title 7, Chapter 88 and Title 67, Chapter 6, relative to tourism development zones.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-6-103(d)(1), is amended by adding the following as a new subdivision (E):

(E)

(i) Notwithstanding the allocations provided for in subsection (a), if a new convention center that qualifies as a public use facility under the provisions of title 7, chapter 88, is constructed in a county having a metropolitan form of government with a population of more than five hundred thousand (500,000) according to the 2000 federal census or any subsequent federal census, then an amount shall be apportioned and distributed to the entity that is responsible for the retirement of the debt on the convention center equal to the amount of state and local tax revenue derived under this chapter from the sale of admission, parking, food, drink and any other things or services subject to tax under this chapter if such sales occur on the premises of the convention center. Such apportionment and distribution shall begin at such time as the convention center begins operations and shall continue for thirty (30) years or until the debt on the convention center is retired, whichever is sooner.

(ii) In addition to the distribution provided in subdivision (d)(1)(E)(i), if either one (1) or two (2) new hotels are constructed in connection with the construction of such convention center, then an amount shall also be apportioned and distributed to the entity that is responsible for the retirement of the debt on the convention center equal to the amount of state and local tax revenue derived under this chapter from the sale of lodging, parking, food, drink and any other things or services subject to tax under this chapter if such sales occur on the premises of such hotels. Such apportionment and distribution shall begin at such time as the convention center begins operations and shall continue for thirty (30) years or until the debt on the convention center is retired, whichever is sooner. To be entitled to receive the distribution of state and local tax revenue under this subdivision (d)(1)(E)(ii), the entity responsible for the retirement of the debt on the convention center must first file with the department of finance and administration an application seeking certification that the construction of such hotels is directly related to the construction of the convention center. The department of finance and administration shall review the application to confirm

whether the hotels meet the requirements of this subdivision (d)(1)(E)(ii). The department of finance and administration shall report its determination to the department of revenue, which shall administer this subdivision (d) (1) (E) (ii) accordingly.

(lii) Notwithstanding any provision of this subdivision (d)(1)(E) to the contrary, no portion of the revenue derived from the increase in the rate of sales and use tax allocated to educational purposes pursuant to the Public Acts of 1992, chapter 529, Section 9, and no portion of the revenue derived from the increase in the rate of sales and use tax from six percent (6%) to seven percent (7%) contained in the Public Acts of 2002, Chapter 856, Section 4, shall be apportioned and distributed pursuant to this subdivision (d)(1)(E). All such revenue shall continue to be allocated as provided in the Public Acts of 1992, Chapter 529, and the Public Acts of 2002, Chapter 856, respectively.

SECTION 2. Tennessee Code Annotated, Section 7-88-106(b), is amended by adding the following language after the last sentence:

Notwithstanding the foregoing, a county having a metropolitan form of government with a population of more than five hundred thousand (500,000) according to the 2000 federal census or any subsequent federal census shall not be limited to one (1) tourism development zone eligible to receive a distribution of tax revenue.

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it.

**PASSED: May 15, 2006**



JIMMY NAIFEH, SPEAKER  
HOUSE OF REPRESENTATIVES



JOHN S. WILDER  
SPEAKER OF THE SENATE

**APPROVED this 25<sup>th</sup> day of May 2006**



PHIL BREDESEN, GOVERNOR